Last full paragraph on Page 7:

After the flashing of the LED 103 is initiated, the transmitted light 105 is focused by camera 111 and incident on a portion of the light sensing surface of a digital camera 111. Typically, digital cameras use a 2D light-sensitive array that capture light that is incident on the surface of the array after passing though the focusing optics of the camera. The array comprises a grid of light sensitive cells, such as a CCD array, each cell being electrically connectable to another electronic elements, including an A/D converter, buffer and other memory, a processor and compression and decompression modules. In the present embodiment, the light from the pointing device is incident on array surface 113 made up of cells 115 shown in circle grid 111a (which is a exploded view of a portion of the array surface 113 of digital camera 111).

Paragraph starting on at bottom of Page 7 and ending on top of Page 8:

Each image of the digital camera 111 is typically "captured" when a shutter (not shown) allows light (such as light from LED 103) to be incident and recorded by light-sensitive surface 113. Although a "shutter" is referred to, it can be any equivalent light regulating mechanism or electronics that creates successive images on a digital camera, or successive image frames on a digital video recorder. Light that comprises the image enters the camera 111 when the shutter is open is focused by the camera optics onto a corresponding region of the array surface 113, and each light sensitive cell (or pixel) 115 records an intensity of the light that is incident thereon. Thus, the intensities captured in the light sensitive cells 115 collectively record the image.